PTA-2018-01-TH-021418 / PTA-2018-01-TH021418
Federal Universal Service Fund (FUSF)

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
01	FEDERAL	FUSF	OWS	OPTICAL WAVELENGTH SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** Optical Wavelength Service (OWS) is a fiber optic based service that provides dedicated, point-to-point, single-fiber data transport at speeds ranging from 1 to 100 Gbps. The OWS contractor always provides the optical devices and fiber connectivity. OWS is based on Wavelength Division Multiplexing (WDM) technology which increases transmission capacity by combining light beams of differing wavelengths, and then transmitting the resulting beam through a single optical fiber. Once the composite signal reaches its destination, it is automatically split into the separate wavelengths, with each wavelength carrying its own set of data. EIS Access Arrangements (AA) or equivalent is needed to use OWS. *See https://eis-public-pricer.eos.gsa.gov/service-guides/* **Analysis** FUSF is allowable for OWS. This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...other high-capacity special access services,' as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9. Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). Therefore, FUSF assessments apply to the extent service is jurisdictionally interstate - *i.e.*, end points of transport circuit are not within the same state or that 10+% of the traffic carried over the transport is jurisdictionally interstate (see "Definitions" Tab #8). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
02	FEDERAL	FUSF	SONETS	SYNCHRONIZED OPTICAL NETWORK SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** Synchronous Optical Networking Service (SONET), the U.S. standard for fiber optic synchronous transmission, enables the transport of voice, data, and multimedia information at rates ranging from 51.84 Mbps to over 40 Gbps. "SONETS" refers to EIS SONET. SONETS includes proactive performance monitoring that prevents single and multiple failures, supports self-healing functions, and enables robust network management. EIS Access Arrangements (AA) or equivalent is needed to use SONETS. This service relies on a pair of primary and backup SONET rings that can connect multiple Agency sites and local area networks (LANs). Point-to-point, Ring, and Mesh Topologies supported. SONETS pricing is based on contractor-defined Task Order Unique CLINs (TUCs), or in other words, individual case basis (ICB) pricing. *See https://eis-public-pricer.eos.gsa.gov/service-guides/* **Analysis** FUSF is allowable for SONETS. SONETS falls under the definitions of "Telecommunications," "Telecommunications Services," and "Interstate Telecommunications" (see, "Definitions" Tab #1, #2 and #3) - e.g., is a transmission, crosses territory boundaries, is between points specified by the user, offered to the public, etc. The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...other high-capacity special access services,' as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9. Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). In addition, SONET services were traditionally offered by incumbent local exchange carriers within their special access services, and "Special access service" is on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(6). Therefore, FUSF assessments apply to the extent service is jurisdictionally interstate - i.e., end points of transport circuit are not within the same state or that 10+% of the traffic carried over the transport is jurisdictionally interstate (see "Definitions" Tab #8). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

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03	FEDERAL	FUSF	DFS	DARK FIBER SERVICE	Not Applicable	N	**Background** Dark Fiber Service (DFS) is an optical fiber infrastructure that consists of cabling, repeaters, and customer-provided transport light. DFS gives an agency the unconditional right to use a fiber route, which includes transport capacity through a fiber pair in a fiber-optic cable, or through the entire fiber-optic cable. DFS configurations can range from a simple point-to-point connection between two locations to one that interconnects the agency to any number of selected locations. Agencies may use their own optronics equipment or lease it from a service provider. EIS Access Arrangements (AA) or equivalent is needed with DFS. Service Related Equipment (SRE) may be needed with DFS. DFS is priced on a contractor-defined Task Order Unique CLINs (TUCs) basis, a/k/a individual case basis (ICB) pricing. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is ***not*** allowable for DFS. Dark Fiber is not FUSF assessable as explained in the 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, which directs 499A filers to report revenues associated with "dark fiber or bare transponder capacity..." on Line 418 of the 499A. Line 418 includes "all non-telecommunications service revenues on the filer's books...as well as some revenues that are derived from telecommunications-related functions, but that should not be included in the universal service or other fund contribution bases." *See* 2021 499A filer instructions, p. 32. Since DFS is unlit fiber ***infrastructure***, it does not involve the transmission of information, and is therefore, not "Telecommunications" or "Telecommunications Service" or "Interstate Telecommunications." (see, "Definitions" Tab #1, #2 and #3). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. *See* Item #20. The ancillary service SRE is not FUSF assessable because it is customer premises equipment. *See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 32.*

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04	FEDERAL	FUSF	CSDS	CIRCUIT SWITCHED DATA SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** Circuit Switched Data Service (CSDS) is the modern evolution of the circuit switched networks first developed in 1878. Circuit switching technology was initially used to reserve dedicated channels (i.e. circuits) for private phone conversations, but is now used for voice, video and file transmissions. EIS CSDS is a totally digital service, and is offered at standard data rates ranging from 56 Kbps (DS0) to 1.5 Mbps (DS1). Higher data rates range from 3 Mbps to 594 Mbps. EIS contract only includes the DS0 data rate; higher data rates would be ICB. EIS Access Arrangements (AA) or equivalent may be needed with CSDS. Service Related Equipment (SRE) may be needed with CSDS. Access to CSDS is available in two varieties - switched access and dedicated access; switched access fee is included in CSDS transport charges and dedicated access is priced separately as AA. Pricing of CSDS generally consists of two components: (1) transport charges and (2) feature charges. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is allowable for CSDS. This service falls under the definitions of "Telecommunications," "Telecommunications Services," and "Interstate Telecommunications" (see, "Definitions" Tab #1, #2 and #3) - e.g., is a communications or transmission, crosses territory boundaries, is between points specified by the user, offered to the public, etc. Note: only the interstate portion of this service is FUSF assessable. Traditional circuit-switched end user service revenue is reported on Line 404 of the 499A report. 2021 FCC Form 499-A Telecommunications Reporting Worksheet, p. 5. **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20. The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 33.

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05	FEDERAL	FUSF	CHS	COLOCATED HOSTING SERVICE	Not Applicable	N	**Background** Colocated Hosting Service (CHS) provides hosting of customer-owned equipment in a secure location complete with cage, racks, and site surveillance. CHS also provides external traffic access (e.g., Internet, Private Line, Ethernet, etc.), bandwidth, storage space, maintenance support, and operational support. Colocation facility supports the following capabilities: (1) redundant and high-availability power to Government Furnished Equipment (GFE), (2) redundant uninterruptable power supplies, (3) a very early smoke detection apparatus system that provides for fire detection, (4) a fire suppression system, and (5) redundant cooling systems. CHS customers have 24x7 access to leased space and GFE in the colocation facility. CHS may need one or more of the following services: Access Arrangements (AA), Internet Protocol Service (IPS), Private Line Service (PLS), or Ethernet Transport Service (ETS). *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is ***not*** allowable for DFS. CHS involves locating agency-owned equipment in a secure location at the contractor's premises. CHS includes physical infrastructure (e.g., floor space, cages, racks, power), support (e.g., maintenance, operational, surveillance, fire suppression), and bandwidth. CHS does not fall under the definition of "telecommunications" because it does not involve transmission between points specified by the user without change in the form or content of the information as sent and received (see "Definitions" Tab #2). Since CHS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20. The ancillary service IPS is not FUSF assessable. See Item #13. The ancillary service PLS is FUSF assessable. See Item #12. The ancillary service ETS is FUSF assessable. See Item #11.

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06	FEDERAL	FUSF	MWS	WIRELESS SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** Managed Wireless Service (MWS) enables customers to establish two-way wireless, or wireless-to-wireline communication using an array of mobile devices such as smartphones, wireless-enabled notebooks and laptops. MWS has two primary messaging functions: (1) Short Messaging Service (SMS) that enables customers to send and receive text message up to 160 characters long, and (2) Multimedia Messaging Service (MMS) that enables personnel to send and receive multimedia such as pictures, streaming video, audio and graphics. The available services and bandwidth of a particular contractor's MWS depend on the characteristics of the mobile device, the technology used in the provider's wireless network, and the generation of the wireless service platform (i.e., 2G, 2.5G, 3G, 4G LTE or greater). MWS supports voice call origination and receive and wireless enhanced 911 service. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is allowable for MWS. This service falls under the definitions of "Telecommunications," "Telecommunications Services," and "Interstate Telecommunications" (see, "Definitions" Tab #1, #2 and #3) - e.g., is a communications or transmission, crosses territory boundaries, is between points specified by the user, offered to the public, etc. In addition, wireless services - i.e., cellular telephone and paging services, mobile radio services, and personal communications services - are on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(1), (2), and (4). "Mobile services," defined as "wireless communications between mobile wireless equipment, such as cellular phones and other points," are reported on Lines 309 and 409/410 on the 499A for FUSF reporting purposes. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, pp. 27-28. Note that only the interstate portion of wireless service is FUSF assessable; this service is subject to the currently-approved 37.1% safe harbor percentage of interstate revenues for cellular and broadband PCS telecommunications. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 40. See also, Allowability Review PTA-2018-01-TH021418 (03/12/2018), Tab "Analysis," Item Number 15. Note: this service should not be confused with EIS Managed Mobility Service (MMS), which may not be FUSF assessable.

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07	FEDERAL	FUSF	CMSS	COMMERCIAL MOBILE SATELLITE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** Commercial Mobile Satellite Service (CMSS) delivers voice, data, and Internet services to land-based, maritime, or aeronautical users using one- or two-way communications via satellite. CMSS provides an end-to-end connection between CMSS users, or between CMSS and wireline and wireless users via the contractor's network and gateway(s). This is one type of Commercial Satellite Communications Service (COMSATCOM) under EIS, with the other type being Commercial Fixed Satellite Service. The CMSS systems are interconnected with land-based cellular networks. CMSS includes, but is not limited to: (1) satellite bandwidth, (2) satellite service plans, (3) contractor provided earth terminals, (4) radio frequency equipment, (5) satellite phones, and (6) interfaces and support services. Access Arrangements (AA) or Private Line Service (PLS) may be needed with CMSS. Service Related Equipment (SRE) may be needed with CMSS. https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is allowable for CMSS. Satellite services is expressly mentioned as an example of "interstate telecommunications" (see "Definitions" Tab #1) in 499A filer instructions. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, pp. 5, 31 and Form 499A lines 416 and 420 (showing that retail "revenues from providing space segment service and earth station link-up capacity used for providing telecommunications or telecommunications services via satellite" are reported on line 416 and included in the contribution base). Satellite service is also on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(15). This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...other high-capacity special access services,' as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9 (emphasis added). Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). Note also that per Form 499-A, p. 30, line 412 instructions, international calls that traverse the United States but both originate and terminate in foreign points ("transit" revenues) are excluded from the universal service contribution base. Therefore, CMSS revenue is subject to FUSF assessments to the extent it is derived from interstate calls or calls with one end in the U.S. **Ancillary Services** The ancillary services EIS AA and PLS are FUSF assessable. See, Items # 12 and 20. The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 33.

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08	FEDERAL	FUSF	CFSS	COMMERCIAL FIXED SATELLITE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y	**Background** Commercial Fixed Satellite Service (CFSS) provides satellite capacity that can be used to deliver communications and applications at a customer-specified throughput between two or more specified end points. This service can be used for applications such as distance learning, continuity of operations, broadcast video and associated audio, including encrypted communications. This is one type of Commercial Satellite Communications Service (COMSATCOM) under EIS. CFSS includes, but is not limited to: (1) satellite bandwidth, (2) satellite service plans, (3) contractor provided earth terminals, (4) radio frequency equipment, (5) satellite phones, and (6) interfaces and support services. Access Arrangements (AA) or Private Line Service (PLS) may be needed with CFSS. Service Related Equipment (SRE) may be needed with CFSS. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is allowable for CFSS. Satellite services is expressly mentioned as an example of "interstate telecommunications" (see "Definitions" Tab #1) in 499A filer instructions. See, 2018 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, pp. 5, 31, and Form 499A lines 416 and 420 (showing that retail "revenues from providing space segment service and earth station link-up capacity used for providing telecommunications or telecommunications services via satellite" are reported on line 416 and included in the contribution base). Satellite service is also on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(15). This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...other high-capacity special access services,' as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9 (emphasis added). Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). Note that revenues derived from the lease of bare transponder capacity are not subject to FUSF assessments per FCC Form 499-A, p. 33. **Ancillary Services** The ancillary services EIS AA and PLS are FUSF assessable. See Allowability Review PTA-2018-01-TH021418 (03/12/2018), Item # 02 and 10. The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 33.

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09	FEDERAL	FUSF	MSS	MANAGED SECURITY SERVICE	Not Applicable	N	**Background** Managed Security Service (MSS) is a comprehensive service that protects an agency's information technology assets - hardware devices, network, software, and information - from malicious attacks. It includes capabilities such as authentication, anti-virus, anti-malware/spyware, intrusion detection, and security event management. MSS comprises: (1) Managed Prevention Service - monitors computer devices, network traffic, email, and application activity to identify and mitigate suspicious activity; (2) Vulnerability Scanning Service - performs external scans by remotely probing a network for vulnerabilities, and internal scans to detect flaws originating from the inside; (3) Incident Response Service - provides an effective method for combating and documenting security intrusions, thereby ensuring operational continuity and the capture of forensics data that can assist in apprehending and prosecuting offenders. This service provides end-to-end cyber security and Denial of Service Attacks detection and stoppage. Service Related Equipment (SRE) may be needed with MSS. Pricing is ICB. https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** FUSF is ***not*** allowable for MSS. MSS does not fall under the definition of "telecommunications" - for example, MSS involves network security and scanning capabilities, not transmission (see "Definitions" Tab #2). Since MSS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). MSS is better described as an "Enhanced Service," as it employs computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information (see "Definitions" Tab # 6). **Ancillary Services** The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 32.

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10	FEDERAL	FUSF	WCS	WEB CONFERENCING SERVICE	Not Applicable	N	**Background** Web Conferencing Service (WCS) helps an agency eliminate the time and costs associated with travelling to different locations for meetings. WCS enables personnel to quickly and easily set up and host web conferences, which can be used for general meetings, collaboration on critical projects, training, interviews, or customer service. WCS comes with a number of functions such as host-controlled conversations with selected attendees, instant surveys and polling, file transfer, and public and private chat. Virtual Private Network Service (VPNS) may be needed with WCS. EIS Access Arrangements (AA) or equivalent is needed to use WCS. Service Related Equipment (SRE) may be needed with WCS. WCS features include: streaming audio, streaming video, and web-based presentation replay. WCS has 3 separate pricing models: subscription model, usage-based model and reservation-based events. *See https://eis-public-pricer.eos.gsa.gov/service-guides/* **Analysis** FUSF is ***not*** allowable for WCS. This service does not fall under the definition of "telecommunications" because it does not involve transmission between points specified by the user without change in the form or content of the information as sent and received (see "Definitions" Tab #2). For example, WCS involves web hosting, polling, host-controlled conversations, file transfer, streaming audio/video, and web-based presentation replay - most of which involves change in the form or content of the information. Since WCS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). WCS is more consistent with the definition of either "Information Service" (See "Definitions" Tab #4 and #5) because it involves a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, or "Enhanced Service" (See "Definitions" Tab #6) because it employs computer processing applications that act on the format, content, code, protocol, or similar aspects of the transmitted information, or involve subscriber interaction with stored information. To the extent that there is any "telecommunications" involved in WCS, it would be "sufficiently integrated" with information services to classify the entire service as information service (or non-telecommunications) and, therefore, not subject to FUSF assessments (see "Definitions" Tab #7). **Ancillary Services** The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 32. The ancillary service EIS AA is FUSF assessable. See Item #20. The ancillary service VPNS is not FUSF assessable. See Item #14.

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11	FEDERAL	FUSF	ETS	ETHERNET TRANSPORT SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** "ETS" stands for Ethernet Transport Service and enables secure, high-speed transmission (10 Mbps to 100 or higher Gbps) of video, audio and data between different local, national and international agency locations. *See* https://eis-public-pricer.nhc.noblis.org/service-guides/ **Analysis** This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). The FCC has found that "**transmission is the heart of telecommunications**, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...**gigabit Ethernet service** and other high-capacity special access services,' **as telecommunications services**." *In the Matter of Universal Service Contribution Methodology,* WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing *Wireline Broadband Internet Access Service Order,* 14860-61, ¶ 9 (emphasis added). Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). This assumes that service is jurisdictionally interstate - i.e., end points of transport circuit are not within the same state *or* that 10+% of the traffic carried over the transport is jurisdictionally interstate (see "Definitions" Tab #8). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

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12	FEDERAL	FUSF	PLS	PRIVATE LINE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** "PLS" stands for Private Line Service and provides a dedicated, reliable, two-way path over which voice, video, multimedia and encrypted information can be transmitted between two or more designated points. PLS offers a standard variety of speeds ranging from 56 Kbps to 10 Gbps. See https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** Private line service is on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(11). The service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see "Definitions" Tab #2 and #3). The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes, such as...high-capacity special access services,' as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9 (emphasis added). Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). This assumes that service is jurisdictionally interstate - i.e., end points of transport circuit are not within the same state or that 10+% of the traffic carried over the transport is jurisdictionally interstate (see "Definitions" Tab #8). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

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13	FEDERAL	FUSF	IPS	INTERNET PROTOCOL SERVICE	Not Applicable	N	**Background** "IPS stands for Internet Protocol Service and enables government personnel to access the Internet, and government intranets and extranets. IPS uses the TCP/IP protocol suite to interconnect Government Furnished Equipment (GFE) and Service Related Equipment (SRE) with other government, and public Internet Service Provider (ISP) networks. IPS connectivity includes wireline, cable, Ethernet, fiber, and wireless. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** IPS does *not* fall under the definition of "telecommunications" - for example, Internet access involves transmission between points not specified by the user and could involve a change in the form or content of the information as sent and received. IPS is more consistent with the definition of "Information Service" or "Enhanced Service" (See "Definitions" Tab #4, #5 and #6) because it involves a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications. Retail internet access is not subject to FUSF assessments (see "Definitions" Tab #5). Dedicated IP Transmission is one of the "gray areas" for which the FCC has not clarified the issue of application of FUSF assessments - though contributors state that it is an information service (see "Definitions" Tab #10). To the extent that IPS connectivity is "telecommunications," it would be "sufficiently integrated" with information services to classify the entire service as information service (not telecommunications) and, therefore, not subject to FUSF assessments (see "Definitions" Tab #7). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
14	FEDERAL	FUSF	VPNS	VIRTUAL PRIVATE NETWORK SERVICE	Not Applicable	N	**Background** "VPNS" stands for Virtual Private Network Service and provides secure, reliable transport of agency applications across the providers' high-speed, unified, multi-service, IP-enabled backbone infrastructure. The VPN technology is very popular with agencies as a means of securely connecting remote field offices, enabling agency partners and remote users to securely access agency resources. VPNs could be used to enable authorized private and government partners to gain access, via a secured agency extranet, to agency applications and data. An agency could use VPNS to enable remote offices to securely connect to the agency's intranet. An agency with a large number of teleworkers or field agents could use VPNS to enable remote and mobile personnel to securely connect to their Windows accounts over an encrypted connection. This would give workers access to the same information and IT assets that they would have sitting at their desktops. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** IPS does not fall under the definition of "telecommunications" - for example, VPNS involves transmission between points not specified by the user and could involve a change in the form or content of the information as sent and received. VPNS is more consistent with the definition of "Information Service" or "Enhanced Service" (See "Definitions" Tab #4, #5 and #6) because it involves a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications. Broadband VPN is one of the "gray areas" for which the FCC has not clarified the issue of application of FUSF assessments - though contributors state that it is an information service not subject to FUSF assessments (see "Definitions" Tab #10). To the extent that the connectivity is "telecommunications," it would be "sufficiently integrated" with information services to classify the entire service as information service (not telecommunications) and, therefore, not subject to FUSF assessments (see "Definitions" Tab #7). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
15	FEDERAL	FUSF	IPVS	INTERNET PROTOCOL VOICE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2020) FUSF VOIP Safe Harbor applies: 64.9%	Y if interstate	**Background** "IPVS" stands for Internet Protocol Voice Service and "allows users to make phone calls using a high-speed IP transport connection instead of a traditional, circuit-switched phone service. IPVS offers a number of advantages over the older technology including simplified and centralized system control, ease of physically moving or adding new phones, lower operations and maintenance costs, and dramatically reduced capital investment. The service supports all voice calls, whether they are initiated or terminated on the same or different network. IPVS also offers a wide range of features including voice mail, caller ID, conference calling, call forwarding, etc. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). Only the interstate portion of the service would be subject to FUSF assessments, which includes tariffed interstate charges, access to interexchange service, and toll traffic. FUSF assessments would not apply to local services (because they are not interstate) or features like voicemail (which have been deemed information services, see "Definitions" Tab #5). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.
16	FEDERAL	FUSF	CSVS	CIRCUIT SWITCHED VOICE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** "CSVS" stands for Circuit Switched Voice Service and comprises both traditional local and long distance service, and enables users to call, or receive calls from, any phone in the U.S. or the world. This service is functionally equivalent to the traditional phone technology that uses the global phone network to establish a temporary, dedicated circuit connecting the two end points for each requested phone conversation. That circuit remains in place for the exclusive use of the call's participants for the duration of the call. CSVS supports all direct dialed voice calls throughout the U.S. regardless of whether the calls are initiated or terminated on the same or different networks (on-net and off-net respectively). It operates over the public switched telephone network (PSTN) (wireline and wireless) in CONUS, OCONUS and non-domestic locations. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). Only the interstate portion of the service would be subject to FUSF assessments, which includes tariffed interstate charges, access to interexchange service, and toll traffic. FUSF assessments would not apply to local services (because they are not interstate) or features like voicemail (which have been deemed information services, see "Definitions" Tab #5). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
17	FEDERAL	FUSF	TFS	TOLL FREE SERVICE	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** "TFS" stands for Toll Free Service and enables agency customers to make long distance calls to the agency at no charge to the customer. TFS can be used to support the agency's mission and enhance the agency's customer service by encouraging customers and citizens to call free-of-charge from locations around the world. Call management capabilities include voice applications, network based Interactive Voice Response (IVR) announcements, use of agency-based databases to facilitate call routing to the appropriate party, and caller self-service options. TFS uses the agency's underlying voice service for connectivity and interoperates with the Public Switched Telephone Network (PSTN) including both wireline and wireless services. There are two ways an agency can obtain a toll free number: (1) the agency may require the contractor to assign and create the number; or (2) the agency may re-use an existing toll free number with the same or enhanced routing capabilities and advanced features. TFS calls must terminate at a domestic location but may originate at non-domestic locations. An agency may request a single, unique toll-free number that is the same throughout the world (where available commercially from participating countries). *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** Toll Free Service is on the FCC's list of interstate telecommunications subject to FUSF assessments. 47 CFR § 54.706(a)(8). The service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see "Definitions" Tab #2 and #3). There is both *inter*state and *intra*state Toll Free Services. For FUSF charges to be assessed, the service should be jurisdictionally *inter*state (i.e., the originating and terminating locations are not in the same state). (see "Definitions" Tab #1). Notably, the call management features, *e.g.*, IVR and self-service options, fall under the definition of information services (see "Definitions" Tab #5) and, therefore, the FUSF should not be assessable to the "features charges" associated with TFS (TFS pricing includes: 1. transport usage, 2. payphone surcharge per call, and 3. features charges. *See https://eis-public-pricer.eos.gsa.gov/service-guides/*) **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
18	FEDERAL	FUSF	CCS	CONTACT CENTER SERVICE	Not Applicable	N	**Background** "CCS" stands for Contact Center Service and helps an agency streamline and improve its customer service processes. The core CCS service is the Call Management Service (CMS) that accepts customer initiated communications, queues them, and intelligently routes them, per the agency's business rules, to the appropriate call center. CCS can handle customer inquiries from a number of channels including voice, fax, email, text, website form submissions and live chat. Multiple queues can be set up if needed, and calls can be routed to multiple locations. CCS also includes the Call Answering Service (CAS), a contractor-staffed contact center operation. Based on the agency's requirements, both the CMS and the CAS can be deployed at either an agency-designated site (Premises Based), or an external contractor location (Host Based). *See https://eis-public-pricer.eos.gsa.gov/service-guides/* **Analysis** CCS does not fall under the definition of "telecommunications" - for example, CCS involves staffed service centers and related systems/databases, not transmission (see "Definitions Tab #2). Since CCS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). CCS pricing includes: 1. non-recurring charge for installation, 2. non-recurring charge for concurrent agents, 3. monthly recurring charge based on number of concurrent agents, and 4. feature charges. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/. None of these prices apply to "telecommunications" or a "telecommunications service." **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
19	FEDERAL	FUSF	CLOUD	CLOUD SERVICE Cloud Service consists of 4 separate EIS Services: 1. Infrastructure as a Service (IaaS) 2. Platform as a Service (PaaS) 3. Software as a Service (SaaS) 4. Content Delivery Network (CDN)	Not Applicable	N	**Background** CLOUD is a service category consisting of: (1) Infrastructure as a Service, (2) Platform as a Service, (3) Software as a service, and (4) Content Delivery Network. (1) Infrastructure as a Service (Iaas): provides an agency with a secure, cloud-based IT environment with all of the typical components such as computers, servers, network storage, etc. IaaS consists of two sub-services: Private Cloud and Data Center Augmentation with Common IT Service Management. (2) Platform as a Service (Paas): a cloud-based service that provides a ready-made environment for the development, testing and deployment of applications. The service supplies all of the IT components needed for application development including developer and testing tools, database systems, and a Big Data solution platform. Unlike Iaas, PaaS is typically not used to replace an agency's entire infrastructure, but rather as a platform for the development, testing and/or deployment of one or more applications. (3) Software as a Service (Saas): gives an agency access to software that is hosted by the service provider. SaaS applications run on the provider's servers, and the service provider manages software security, availability, and performance. Using SaaS allows an agency to reduce the time, expense, and risk associated with the installation and maintenance of software on agency computers. SaaS allows agency personnel to access the hosted software via a secure connection, for example, the agency intranet. SaaS software applications are sometimes called web-based software, on-demand software, or hosted software. (4) Content Delivery Network (CDNS): speeds up and optimizes the delivery of agency content to Web browsers worldwide. The CDNS provider incorporates equipment and algorithms to cache content on geographically dispersed servers on the Internet. When a request is made from a particular location for specific content, the server that can most rapidly and efficiently provide the content is dynamically identified. See https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** CLOUD does not fall under the definition of "telecommunications" - for example, CLOUD includes IT hardware and software, not transmission (see "Definitions Tab #2). Since CLOUD is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). Certain CLOUD components are more consistent with the definition of "Enhanced Service" (See "Definitions" Tab #6) because it involves computer processing applications that act on the format, etc. of transmitted information or subscriber interaction with stored information. In addition. FUSF is not assessable on hardware or software. See, e.g., 2021 Instructions to FCC Form 499-A, p. 33, exempting customer premises equipment. To the extent that trunks are part of the CDNS components of CLOUD, those should be considered "sufficiently integrated" with the non-telecommunications CLOUD service and, therefore, not be FUSF-assessable (see "Definitions" Tab #7).

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
20	FEDERAL	FUSF	DAA	DEDICATED ACCESS ARRANGEMENTS	Contribution Factor: **31.8%** for 3Q2021 Source: DA 21-676 (rel. 06/10/2021)	Y if interstate	**Background** "DAA" stands for Dedicated Access Arrangement and provides a dedicated, reliable connection from an agency's location to the service provider's network. Specifically, AAs connect the Service Delivery Point (SDP) at the agency's location to a Point of Presence (POP) on the service provider's network. AAs can be used for any application such as voice, data, video, and multimedia. AAs cannot be ordered as a standalone access service, and no performance metrics specific to the AAs can be specified. Most EIS services require Access Arrangements. Many agencies use AAs daily to deliver applications such as desktop video conferencing, distance learning, and transferring of large files intra- and inter-agency. An agency will require AAs in conjunction with any EIS service that requires an access connection, e.g., any of the EIS data or voice services described respectively in EIS contract Section C.2.1 Data Service and Section C.2.2 Voice Service. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** This service falls under the definitions of "Telecommunications" and "Telecommunications Services" (see, "Definitions" Tab #2 and #3). The FCC has found that "transmission is the heart of telecommunications, and has classified data transmission services that have 'traditionally' and 'typically' been used for basic transmission purposes...as telecommunications services." In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122, Further Notice of Proposed Rulemaking, FCC 12-46, ¶43, April 30, 2012, citing Wireline Broadband Internet Access Service Order, 14860-61, ¶ 9 (emphasis added). Stand-alone broadband transmission services provided on a common carrier basis are subject to FUSF assessments (see "Definitions" Tab #9). This assumes that service is jurisdictionally interstate - i.e., end points of transport circuit are not within the same state or that 10+% of the traffic carried over the transport is jurisdictionally interstate (see "Definitions" Tab #8).

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
21	FEDERAL	FUSF	MNS	MANAGED NETWORK SERVICE	Not Applicable	N	**Background** MNS stands for Managed Network Service and enables an agency to outsource a portion or all of its network planning, design, implementation, maintenance, operations and customer service as a strategic move to improve IT services and lower costs. MNS covers two main activities: (1) Network design and engineering services, and (2) Network implementation and maintenance services. The MNS contractor provides overall management of an agency's network infrastructure, including real-time proactive network monitoring, troubleshooting and service restoration. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** MNS does not fall under the definition of "telecommunications" - for example, MNS involves IT planning, design, implementation and maintenance functions, not transmission (see "Definitions Tab #2). Since MNS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20. The ancillary service PLS is FUSF assessable. See Item #12. The ancillary service ETS is FUSF assessable. See Item #11. The ancillary service SRE is not FUSF assessable because it is customer premises equipment. See, 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 32.The ancillary service Service Related Labor is not FUSF assessable, as it is not a telecom service.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
22	FEDERAL	FUSF	MTIPS	MANAGED TRUSTED INTERNET PROTOCOL SERVICE	Not Applicable	N	**Background** MTIPS stands for Managed Trusted Internet Protocol Service and allows agencies to logically and physically connect to external connections or the public Internet in a way that aligns with the security compliance requirements of the agency and OMB's Trusted Internet Connection (TIC) initiative (M-08-05). This service enables an agency to fully comply with TIC directives from the Office of Management and Budget (OMB) and the U.S. Department of Homeland Security (DHS). MTIPS is composed of the network infrastructure to transport IP traffic between the agency Enterprise WAN and the TIC Portal; together they create an agency TIC Trusted Domain (DMZ) for IP traffic. In today's environment, the agency perimeter boundary is dynamic and morphing to include virtual instances. Hence, MTIPS provides the transport that serves as a "collection" network for TIC physical or virtual Portal connectivity insulating an agency's internal network from the Internet and other external networks. The TIC Portal provides both physical and virtual security services to multiple government agencies, as well as allowing for specific controls based on an agency's coordination with DHS, GSA and the EIS contractor, when necessary. MTIPS is part of a larger, strategic initiative to improve the federal government's security posture and prevent cyber attacks. *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** MTIPS does not fall under the definition of "telecommunications" - for example, Internet access involves transmission between points not specified by the user and could involve a change in the form or content of the information as sent and received. Similarly, the security/insulation capabilities of MTIPS are not "telecommunications." Since MTIPS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). Certain MTIPS components are more consistent with the definition of "Enhanced Service" (See "Definitions" Tab #6) because it involves computer processing applications that act on the format, etc. of transmitted information or subscriber interaction with stored information. Retail internet access is not subject to FUSF assessments (see "Definitions" Tab #5). Dedicated IP Transmission is one of the "gray areas" for which the FCC has not clarified the issue of application of FUSF assessments - though contributors state that it is an information service (see "Definitions" Tab #10). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
23	FEDERAL	FUSF	UCS	UNIFIED COMMUNICATIONS SERVICE	Not Applicable	N	**Background** "USC" stands for Unified Communications Services and integrates multiple communication tools such as IP-based phone service, mobile communication, e-mail, voicemail and video calling to enable users to connect, collaborate, and exchange information from any device, anywhere, and at any time. This service makes all communication devices available inside a single platform providing the ability to track the location of a user on the network, and route incoming communications accordingly. UCS identifies when a user's device connects to the network and the user's current status (e.g., online, offline, away, available, busy, do not disturb, out to lunch, in a meeting, etc.). In order to use UCS, the agency may need one or more of the following EIS services or equivalents: IP Voice Service (IPVS), Virtual Private Network Service (VPNS), and other Managed Services such as Audio Conferencing Service (ACS), Video Teleconferencing Service (VTS), and Web Conferencing Service (WCS). *See* https://eis-public-pricer.eos.gsa.gov/service-guides/ **Analysis** UCS does not fall under the definition of "telecommunications" - for example, UCS involves unified call management functions that bring together various forms of communications (voice, email, video-conferencing, texting, etc.), not transmission (see "Definitions" Tab #2). Since UCS is not "telecommunications," it is also not a "telecommunications service" or "interstate telecommunications" (see "Definitions" Tab #1 and #3). UCS is more consistent with the definition of "Information Service" (See "Definitions" Tab #4) because it involves a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications. To the extent that there is any "telecommunications" involved in UCS, it would be "sufficiently integrated" with information services to classify the entire service as information service (or non-telecommunications) and, therefore, not subject to FUSF assessments (see "Definitions" Tab #10). **Ancillary Services** The ancillary service IPVS is FUSF assessable (See Item #15); VPNS is not FUSF assessable (See Item #14); WCS is not FUSF assessable (See Item #10).

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
24	FEDERAL	FUSF SAFE HARBOR	VOIP		64.9% Interconnected and Non-Interconnected VoIP Safe Harbor	Y	QSI has confirmed that the currently-approved safe harbor percentage of interstate revenues for interconnected VoIP and non-interconnected VoIP telecommunications revenues is 64.9%. The Universal Service Administrative Company (USAC) confirmed this at page 40 of its *2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A*, available at: https://www.usac.org/wp-content/uploads/service-providers/documents/forms/2021/2021-FCC-Form-499A-Form-Instructions.pdf The 64.9% VoIP safe harbor was established by the FCC in 21 FCC Rcd 7518; 2006 FCC LEXIS 3668, WC Docket No. 06-122; Release No. FCC 06-94, *Report and Order and Notice of Proposed Rulemaking,*¶ 53*,* June 27, 2006.
25	FEDERAL	FUSF SAFE HARBOR	CELLULAR AND BROAD-BAND PCS		37.1% Wireless Safe Harbor - Cellular and Broadband PCS	Y	QSI has confirmed that the currently-approved safe harbor percentage of interstate revenues for cellular and broadband PCS telecommunications revenues is 37.1%. The Universal Service Administrative Company (USAC) confirmed this at page 40 of its *2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A*, available at: https://www.usac.org/wp-content/uploads/service-providers/documents/forms/2021/2021-FCC-Form-499A-Form-Instructions.pdf The 37.10% cellular/broadband PCS safe harbor was established by the FCC in 21 FCC Rcd 7518; 2006 FCC LEXIS 3668, WC Docket No. 06-122; Release No. FCC 06-94, Report and Order and Notice of Proposed Rulemaking,¶¶ 2, 16, 23, 25, June 27, 2006.
26	FEDERAL	FUSF SAFE HARBOR	PAGING		12% Wireless Safe Harbor - Paging	Y	QSI has confirmed that the FCC has approved a safe harbor percentage of interstate revenues of 12.0% for paging revenues. The Universal Service Administrative Company (USAC) confirmed this at page 40 of its *2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A*, available at: https://www.usac.org/wp-content/uploads/service-providers/documents/forms/2021/2021-FCC-Form-499A-Form-Instructions.pdf The 12% paging safe harbor was established by the FCC in 13 FCC Rcd 21252; 1998 FCC LEXIS 5508, CC Docket No. 96-45; Release No. FCC 98-278, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking,* ¶¶ 14, 21, October 26, 1998. The FCC retained the 12% paging safe harbor in 2006. See, 21 FCC Rcd 7518; 2006 FCC LEXIS 3668, WC Docket No. 06-122; Release No. FCC 06-94, Report and Order and Notice of Proposed Rulemaking, footnote 97, June 27, 2006.
27	FEDERAL	FUSF SAFE HARBOR	ANALOG SMR DISPATCH		1% Wireless Safe Harbor - analog SMR dispatch	Y	QSI has confirmed that the FCC has approved a safe harbor percentage of interstate revenues of 1.0% for analog SMR dispatch revenues. The Universal Service Administrative Company (USAC) confirmed this at page 40 of its *2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A*, available at: https://www.usac.org/wp-content/uploads/service-providers/documents/forms/2021/2021-FCC-Form-499A-Form-Instructions.pdf The 1% analog SMR dispatch safe harbor was established by the FCC in 13 FCC Rcd 21252; 1998 FCC LEXIS 5508, CC Docket No. 96-45; Release No. FCC 98-278, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, ¶¶ 15, 21, October 26, 1998. The FCC retained the 1% Analog SMR dispatch safe harbor in 2006. See, 21 FCC Rcd 7518; 2006 FCC LEXIS 3668, WC Docket No. 06-122; Release No. FCC 06-94, Report and Order and Notice of Proposed Rulemaking, footnote 97, June 27, 2006.

ITEM NUMBER	JURISDICTION	TAX CODE	SERVICE	DESCRIPTION	RATE TBD IN REVIEW	ALLOWABLE (Y or N)	QSI RATIONALE & FINDINGS
28	FEDERAL	FUSF	BIS	BROADBAND INTERNET SERVICE	Not Applicable	N	**Background** BIS supports a wide range of connectivity requirements that enable government users to access the Internet, government-wide intranets, and extranets. Use cases for BIS include supporting SD-WAN service as an underlay, potential direct connections to Cloud Service Providers, low cost network connectivity to Agency networks, wi-fi backhaul for public facing agencies customers and guests and services for geographic areas where other network transport services are limited or non-existent. This service is different than IPS in that it includes Access and Port within the same service. Customer specifies peak data rates of BIS ports, and contractor shall not impose a limit or throttle on the data downloaded or uploaded during the billing period. BIS will use the TCP/IP protocol suite to interconnect GFP/SRE with other government networks and the public Internet Service Provider (ISP) networks. **Analysis** BIS does not fall under the definition of "telecommunications" (see, "Definitions" Tab #2) - for example, Internet access involves transmission between points not specified by the user and could involve a change in the form or content of the information as sent and received. BIS is more consistent with the definition of "Information Service" or "Enhanced Service" (See "Definitions" Tab #4, #5 and #6) because it involves a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications. Broadband Internet Access is an information service (i.e., NON-telecommunications service) and retail broadband internet access is not subject to FUSF assessments (see "Definitions" Tab #5). Internet Access Service "inextricably intertwine[s] transmission with information-processing capabilities" and "wireline broadband Internet access service does not include the provision of a telecommunications service to the end user irrespective of how the service provider may decide to offer the transmission component to other service providers." (see "Definitions" Tab #5). "[W]ireline broadband Internet access service is...a functionally integrated, finished product, rather than both an information service and a telecommunications service." (see, "Definitions" Tab #7). Broadband Internet and Dedicated IP Transmission is one of the "gray areas" for which the FCC has not clarified the issue of application of FUSF assessments - though contributors state that it is an information service (see "Definitions" Tab #10). **Ancillary Services** The ancillary service EIS AA is FUSF assessable. See Item #20.

DEFINITIONS

1. Interstate Telecommunications "is a communications or transmission: (1) From any State, Territory, or possession of the United States (other than the Canal Zone), or the District of Columbia, to any other State, Territory, or possession of the United States (other than the Canal Zone), or the District of Columbia, (2) From or to the United Stated to or from the Canal Zone, insofar as such communications or transmission takes place within the United States, or (3) Between points within the United States but through a foreign country." Source: 47 CFR §54.5.

2. Telecommunications "is the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." Source: 47 CFR §54.5 and 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 5.

3. Telecommunications Service "is the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used." Source: 47 CFR §54.5.

4. Information Service "is the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service." Source: 47 CFR §54.5.

5. Information services "offering a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications are not included in the universal service or other fund contribution bases...For example, voice mail, call modernization, and call transcription services are information services. Source: 2021 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A, p. 32. "revenues from information services (including retail broadband Internet access services) have never been included in the contribution base." Source: In the Matter of Universal Service Contribution Methodology, WC Docket 06-122, FCC 12-46, Further Notice of Proposed Rulemaking ("USF FNPRM"), ¶ 10, April 30, 2012. "facilities-based wireline broadband Internet access service is an information service." In the Matters of Appropriate Framework for Broadband Access to the Internet Over Wireline Facilities, CC Docket No. 02-33, FCC 05-150, Report and Order and Notice of Proposed Rulemaking ("Wireline Broadband Internet Access Order"), ¶¶5, 14, September 23, 2005. "'Internet access service' refers to a service that always and necessarily combines computer processing, information provision, and computer interactivity with data transport, enabling end users to run a variety of applications such as e-mail, and access web pages and newsgroups...inextricably intertwine transmission with information-processing capabilities." Id.,¶ 9. "wireline broadband Internet access service does not include the provision of a telecommunications service to the end user irrespective of how the service provider may decide to offer the transmission component to other service providers." Id., ¶ 104.

6. Enhanced Services are "services offered over common carrier transmission facilities used in interstate communications which employ computer processing applications, that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information." Source: In the Matter of Federal-State Joint Board on Universal Service, CC Docket 96-45; FCC 97-157, Report and Order ("USF First Report and Order"), ¶ 788, May 8, 1997. All services considered "Enhanced Services" are "information services." Id.

7. Sufficiently Integrated. "[T]he classification of a service as either information or telecommunications hinges on whether the transmission capability is 'sufficiently integrated' with the information service capabilities to make it reasonable to describe the two as a single, integrated offering and classify the entire integrated service as an information service." Source: In the Universal Service Contribution Methodology, WC Docket 06-122, FCC 12-10, Order on Reconsideration ("Intercall Reconsideration Order"), ¶12, January 27, 2012. However, "a provider offering a bundled service comprised of telecommunications services and information services may not treat the entire bundled service as an information service for purposes of USF contribution assessment, but must instead apportion its end user revenues between telecommunications and non-telecommunications sources." Id., ¶ 13. See also, In the Matter of Universal Service Contribution Methodology, WC Docket 06-122, DA 16-1401, Order ("2016 Cisco Order"), ¶ 5. "Services in a bundle are not functionally integrated...because other than being sold together in a package the services are not linked, or are only minimally linked, in their capabilities." Id., ¶ 5. "from the end-user's perspective, Cisco is offering a single service, and that the WebEx service is functionally integrated..." Id., ¶ 13. "The audio stream...is directly linked to, and being used in conjunction with, the information processing capabilities being utilized in the collaboration session - i.e., document sharing, video, etc." Id., ¶ 21. "wireline broadband Internet access service is...a functionally integrated, finished product, rather than both an information service and a telecommunications service." Wireline Broadband Internet Access Order, ¶ 106.

8. Ten Percent Rule. "in instances where over ten percent of the traffic carried by a private or WATS line is interstate, the revenues and costs generated by the entire line should be classified as interstate." Source: In the Matter of Federal-State Joint Board on Universal Service, CC Docket 96-45, DA 17-309, Order ("10% Rule Order"), ¶ 4, March 30, 2017, citing USF First Report and Order. "the nature of the traffic carried on a private line...is the primary determinant of the proper jurisdictional assignment of the line and the associated revenues." Id., ¶ 2. "USAC may not require that USF contributions be made on revenues associated with private line circuits with end points within a single state unless the carrier has evidence that the circuits are, in fact, being used to carry more than a de minimis amount of interstate traffic. Absent such evidence, the circuits are properly classified as intrastate and subject to state, not federal, regulations." Comments of XO Communications Services, LLC, WC Docket No. 06-122, p. 5, December 2, 2013.

9. Stand-alone broadband transmission service. "After the effective date of the changes adopted in the 2005 Wireline Broadband Internet Access Services Order, facilities-based providers of wireline Internet access service were no longer required to offer the transmission component of the service on a common carrier basis and were no longer required to contribute on that transmission service. To the extent, however, that a telecommunications carrier chooses to offer stand-alone broadband transmission service on a common carrier basis, that service offering continues to be subject to USF contributions requirements." Source: In the Matter of Universal Service Contribution Methodology, WC Docket 06-122, DA 12-1983, Order, footnote 24, December 7, 2012, citing Wireline Broadband Internet Access Services Order, ¶ 113 n. 357.

10. Uncertainty surrounding Enterprise Services. "USAC requested Commission guidance regarding the appropriate USF treatment of Virtual Private Networks (VPNs), ATM, Frame Relay, and Dedicated IP transmission...Telepacific continues to believe...that certain dedicated IP transmission that perform protocol processing and VPN services should be classified as information services...information services such as broadband Internet, VPN, or other enterprise communications services do not contain separate telecommunications service and information service components." Comments of US TelePacific Corp., WC Docket No. 06-122, September 16, 2013. "The Commission has never determined whether those enterprise services like MPLS are assessable...IVANS' MPLS and Frame Relay-based enterprise services were not assessable for purposes of USF contribution...unsettled classification of enterprise services...Through these enterprise solutions, IVANS provided secure connections to its proprietary 'Cloud'...The access component is not sold separately - only as part of a bundled solution that includes IVANS provision of router, security, and network software, protocol processing, and applications...USAC has acknowledged the lack of resolution of MPLS classification and that it has affirmatively allowed contributors to report MPLS revenues as non-assessable information service revenues..." IVANS Request for Review of Decision of the Universal Service Administrator and Petition for Declaratory Ruling, WC Docket 06-122, August 6, 2013. "MPLS is a technology incorporated into a variety of enterprise data services, which generally have the attributes of information services - including, for example, protocol processing capabilities, customer-driven security features, and on-demand (and variable) packet prioritization." Joint Reply Comments of Verizon, et al., WC Docket No. 06-122, p. 2, October 22, 2013. "The Commission must act now to clarify the appropriate treatment of VPN and direct USAC that such services are not - even in part - assessable services for purposes of USF contributions...Three years after USAC's request for formal guidance, the Commission...explained that the Commission has 'not formally addressed enterprise communications services such as Dedicated IP, VPNs, WANs, and other network services that are implemented with various protocols such as Frame Relay/ATM, MPLS, and PBB for purposes of determining USF contribution obligations'...USAC has admitted that FCC guidance is necessary 'due to the complexity of the VPN product'...As a group of providers noted, although there is widespread confusion in the industry about the classification of enterprise data services, such as VPNs, that rely on MPLS, 'for the most part, MPLS-enabled service providers consider all or some portion of these services to be non-assessable information services.'" Request for Review by Deltacom, Inc. of Universal Service Administrator Decision, WC Docket No. 06-122, September 20, 2013. "in order to determine whether an MPLS-enabled service is subject to USF obligations, a carrier must conduct a fact-and time-intensive, case-by-case review of the Commission's rules, orders, legal definitions, and precedent...the FCC has yet to resolve the vital, threshold questions surrounding MPLS contribution obligations." Joint Comments in Support of Request for Stay Filed by US Telepacific Corp., WC Docket No. 06-122, January 9, 2013.